RECEIVED

RECEIVED

DEC 1 2 2001

DEC 1 2 2001

	CRUMB & MUNDING, F	os 🔨	OD:	WITHERSPOON	KELLEY
1	Patrick M. Risken	UI WAND	OPY RHOE	French FY SHEART	OOLE
2	EVANS, CRAVEN & LACKIE, P.S.	WEIAD)	ALL & DAN	SKIN P.S	
3	818 West Riverside Ave., Suite 250		DEC 1 2 2		
4	Spokane, Washington 99201		PC0 1 % (Ulu i	
4	(509) 455-5200	V'SF	on a	/ /5	
5	Attorneys for Defendant		00.		
6	Walker Parking Consultants/Engineers, Inc.		f.	FILED IN THE	INST
7				U.S. DISTRICT CO EASTERN DISTRICT OF WA	NOTENIHE
8	UNITED STATES DISTR	ICT CO	URT	DEC 12 2	9 01
9	EASTERN DISTRICT OF WASHING		IGTON	JAMES R. LARSEN	CLERK
10	AT SPOKANE			SPOKANE, WASHI	
11				SPOIGHT, WOLL	
	NUVEEN QUALITY INCOME MUNICIPAL FUN)		
12	INC.; NUVEEN PREMIUM INCOME MUNICIPA	,)]
13	FUND 4, INC., STRONG MUNICIPAL BOND FU		CS-01-012	7 EFS	
14	INC.; SMITH BARNEY MUNICIPAL FUND LIMI	,)		1
15	TERM; SMITH BARNEY MUNICIPAL HIGH-INC	,)	43 M 114 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
]	FUND; VANGUARD HIGH-YIELD TAX EXEMP	-		ANT WALKER	}
16	FUND; U.S. BANK TRUST NATIONAL ASSOCIA	.,			
17	in its capacity as Indenture Trustee on behalf of Hole	-			
18	Spokane Downtown Foundation Parking Revenue B and ASSET GUARANTEE INSURANCE COMPA		ANSWER	ERS, INC's	
19	and ASSET GUARANTEE INSURANCE COMPA	NI,	ANSWER AFFIRMA		
20	Plaintiffs,)		ES TO CITY'S	Ì
	Tiantinis,)		LAIM, AND	
21	v.)	COUNTE	•	
22)	THERETO		
23	PRUDENTIAL SECURITIES INCORPORATED, a	. ĵ)	-	1
24	Delaware corporation; WALKER PARKING))		
25	CONSULTANTS/ENGINEERS, INC., a Michigan))		
ŀ	corporation; FOSTER PEPPER & SHEFELMAN)	1		ĺ
26	PPLC, a Washington professional limited liability)	•		
27	company; SPOKANE DOWNTOWN FOUNDATIO)		
28	a Washington corporation; PRESTON GATES & EI	LLIS)			
29	LLP, a Washington limited liability partnership;))	!	
30	CITIZENS REALTY COMPANY, a Washington)	1		
	corporation; LINCOLN INVESTMENT COMPANY	(OF)			
31	SPOKANE, a Washington corporation; River Park) ````			
32	Square, L.L.C., a Washington limited liability compa RPS II, L.L.C., a Washington limited liability compa	-	•		
33	RWR MANAGEMENT, INC., a Washington corpor	•	, 		
34	Ten ten de reception, a masimigion corpor	u.1011, <i>)</i>	•		
		Evans,	Eraven &	Lackie, P.S.	
1	ANSWER TO CROSS CLAIMS BY DEFENDANT		8	18 W. Riverside, Suite 250	
	WALKER PARKING CONSULTANTS - 1			e, Washington 99201-0910 455-5200; fax 455-3632	
				!	

1	d/b/a R. W. ROBIDEAUX AND COMPANY; CITY OF)				
2	SPOKANE, WASHINGTON, a first-class charter city of)				
3	the State of Washington; SPOKANE PUBLIC)				
	DEVELOPMENT AUTHORITY, an unregistered)				
4	Washington corporation, doing business as RIVER				
5	PARK SQUARE PARKING,				
6	Defendants)				
7	Defendants.				
8	CITY OF SPOKANE,				
9	j				
10	Third-Party Plaintiff,				
11					
12	v.)				
	ROY KOEGEN and ANNE KOEGEN, a marital				
13	community, and PERKINS COIE, LLP,				
14	community, and I EXXII VS COIE, EEI ,				
15	Third-Party Defendants.				
16)				
17					
18					
19	In Answer to the Cross Claims filed by the City of Spo	kane in this matter, as against			
20	Defendant Walker Parking Consultants/Engineers, Inc., by	and through its undersigned			
	bolomant water ranking consultants/Engineers, inc., by	and through its undersighed			
21 22	counsel, said Defendant alleges and states as follows:				
23	1.1 Defendant Walker Parking Consultants/Engine	ers, Inc. (hereinafter "Walker")			
24					
25	is without sufficient information as to form any holiof as to the truth or accurrent of the				
26	allegations made in Paragraphs 1.1, 1.2 and 1.3 of the City of Spokane's (hereinafter "City")				
27					
28	Counterclaim and Cross Claim, and therefore denies same.				
29	1.2 Defendent Wellen denies the allocations conte	in dia Pananah 1 4 cd			
30	1.2 Defendant Walker denies the allegations conta	ined in Paragraph 1.4 of the			
31	City's Counterclaim and Cross Claim.				
32					
33	1.3 Defendant Walker admits that it had previously p	provided professional services			
34	Engl	Craven & Lackie, P.S.			
		818 W. Riverside, Suite 250			
	ANSWER TO CROSS CLAIMS BY DEFENDANT WALKER PARKING CONSULTANTS - 2	Spokane, Washington 99201-0910 (509) 455-5200; fax 455-3632			

· •

for other projects across the Country which included a Nordstrom, in response to Paragraph

1.5 of the City's Counterclaim and Cross Claim.

- 1.4 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraphs 1.6, 1.7, 1.8, 1.9, 1.10, 1.11 and 1.12 of the City's Counterclaim and Cross Claim, and therefore denies same.
- 1.5 Defendant Walker admits that it began discussions with the City in 1995, regarding various services relating to the RPS Garage. To the extent that the allegations of Paragraph 1.13 are inaccurate, they are denied.
- 1.6 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraph 1.14 of the City's Counterclaim and Cross Claim, and therefore denies same.
- 1.7 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in the first sentence of Paragraph 1.15 of the City's Counterclaim and Cross Claim, and therefore denies same. Defendant Walker denies the remainder of that Paragraph.
- 1.8 Defendant Walker denies the allegations contained in Paragraph 1.16 of the City's Counterclaim and Cross Claim; the Consultant's Agreement referenced therein speaks for itself.
 - 1.9 Defendant Walker submits that the terms of its Agreement with the City are

Evans, Eraven & Lackie, P.S.

stated in the Consultant's Agreement between those parties. Therefore, to the extent that the allegations in Paragraphs 1.17, 1.18 and 1.19 of the City's Counterclaim and Cross Claim are inconsistent therewith, those allegations are denied.

- 1.10 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraphs 1.20, 1,21 and 1.22 of the City's Counterclaim and Cross Claim, and therefore denies same.
- 1.11 Defendant Walker denies the allegations contained in Paragraphs 1.23 and1.24 of the City's Counterclaim and Cross Claim.
- 1.12 In Answer to Paragraph 1.25 of the City's Counterclaim and Cross Claim,

 Defendant Walker admits that it issued its Feasibility Analysis in June 1996. Since the remainder of that Paragraph is inconsistent with the text of that Analysis, and contains hyperbole, it is denied.
- 1.13 In Answer to Paragraph 1.26 of the City's Counterclaim and Cross Claim,
 Defendant Walker admits that it issued its Public Use Study at the City's request in October
 1996. To the extent that the remainder of that Paragraph is inconsistent with the text of that
 Study, it is denied.
- 1.14 Due to the argumentative nature of the Counterclaim and Cross Claim by the City, Defendant Walker denies the allegations of Paragraphs 1.27, 1.28, 1.29, 1.30, 1.31, 1.32, 1.33, 1.34 and 1.35.
 - 1.15 Defendant Walker is without sufficient information as to form any belief as

to the truth or accuracy of the allegations made in Paragraphs 1.36, 1.37, 1.38 and 1.39 of the City's Counterclaim and Cross Claim, and therefore denies same.

- 1.16 Due to the argumentative nature of the Counterclaim and Cross Claim by the City, Defendant Walker denies the allegations of Paragraphs 1.40 insofar as it purports to state Walker's Glen Edwards' testimony before the City Council. That testimony is a matter of public record, and to the extent that the allegations of Paragraph 1.40 are inaccurate, incomplete, or otherwise inconsistent with Mr. Edwards' recorded testimony, they are denied.
- 1.17 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraphs 1.41, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47, 1.48, 1.49, 1.50, 1.51, 1.52, 1.53, 1.54, 1.55, 1.56, 1.57, 1.58, 1.59, 2.57 [sic], 1/60, 1.61, 1.62, 1.63 and 1.64 of the City's Counterclaim and Cross Claim, and therefore denies same.
- 1.18 In light of the record produced for the City of Spokane regarding all aspects of the River Park Square project in 1995, 1996 and 1997, and before and after those years, Defendant Walker denies the allegations of Paragraph 1.65 of the City's Counterclaim and Cross Claim.
- 1.19 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraphs 1.66, 1.67, 1.68, 1.69, 1.70, 1.71, 1.72, 1.73, 1.74, 1.75 and 1.76 of the City's Counterclaim and Cross Claim, and therefore denies same.
 - 1.20 Defendant Walker asserts that the Supreme Court Decision cited by the City

Evans, Eraven & Lackie, P.S.

in Paragraph 1.77 of the Counterclaim and Cross Claim speaks for itself, and denies any allegation in that Paragraph which is inconsistent with that Decision.

- 1.21 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraphs 1.78, 1.79, 1.80, 1.81 and 1.82 of the City's Counterclaim and Cross Claim, and therefore denies same.
- 1.22 Defendant Walker admits that "cinema patrons" had been a source of projected parking revenues, as reflected in its Analysis. Beyond that, the allegations of Paragraph 1.83 of the City's Counterclaim and Cross Claim are denied; the document speaks for itself.
- 1.23 Defendant Walker is without sufficient information as to form any belief as to the truth or accuracy of the allegations made in Paragraphs 1.84, 1.85, 1.86, 1.87, 1.88, 1.89, 1.90, 1.91, 1.92, 1.93, 1.94, 1.95, 1.96, 1.97, 1.98, 1.99, 1.100, 1.101, 1.102, 1.103, 1.104, 1.105, 1.106, 1.107 and 1.108 of the City's Counterclaim and Cross Claim, and therefore denies same. Defendant Walker submits that the record reflecting the actions or events alleged those particular Paragraphs "speak for themselves", and that the actual testimony transcript and other portions of the record herein is the only accurate statement of what has transpired herein.

II. CLAIMS.

<u>First Claim - Declaratory Relief Re Scope of Loan Pledge</u> (Against All Parties)

2.1 Defendant Walker realleges all previous Paragraphs herein, as if fully set forth herein, consistent with Paragraph 2.1 of the City's Counterclaim and Cross Claim.

Evans, Eraven & Lackie, P.S.

WALKER PARKING CONSULTANTS - 7

Spokane, Washington 99201-0910

(509) 455-5200; fax 455-3632

which proximately caused and contributed to the events set forth in the City's Cross Claim, and/or either of the pending "Bondholders' Suits", and the damages alleged to flow

- The damages alleged by the City herein, if any, were proximately caused by intervening negligence or other wrongful conduct of other persons or entities over which this
- That the City exercised its own independent business judgment through this

Defendant Walker Parking Consultants/Engineers, Inc., herein reserves its right to amend this Answer to include such additional defenses and/or counter and/or cross claims as are warranted under the facts of this case and as allowed by Washington law.

Having fully Answered the City of Spokane's Cross Claim, and as its Counterclaim against the City of Spokane, Defendant and Defendant Walker Parking Consultants/Engineers, Inc. (hereinafter "Walker Parking") alleges as follows:

- Defendant City of Spokane (hereinafter "City") is a municipal corporation and
 - Defendant Walker Parking is an Indiana corporation which performs parking

Evans, Craven & Lackie

818 W. Riverside, Suite 250 Spokane, Washington 99201-0910 (509) 455-5200; fax 455-3632

WALKER PARKING CONSULTANTS - 10

consulting, design, engineering and analysis services nationwide. Its principal place of business is Indianapolis, Indiana.

- 3. On July 18, 2000, the City of Spokane filed a Complaint for Breach of Contract, Professional Negligence, Civil Conspiracy To Divert Public Funds To A Private Entity For A Private Purpose, Breach Of Fiduciary Duty, Declaratory Judgment And Other Claims, naming Walker Parking as a Defendant, and known as *City of Spokane vs. Walker Parking Consultants/Engineers, Inc., et al.*, Spokane County, Washington, Superior court No. 00-2-04173-4. That Complaint was then twice amended, and then voluntarily dismissed on the eve of the simultaneous filing of the main action herein, and the City's Answer thereto. The original Superior Court Complaint was filed by the City without any previous discussion between the City's counsel and anyone from Walker Parking or its attorneys.
- 4. In its Superior Court action, by its original and First Amended Complaints, the City of Spokane alleged, against Walker Parking, causes of action for Professional Malpractice, Negligent Misrepresentation, Breach of Contract, Indemnification and Civil Conspiracy. Because of those allegations, Walker Parking has been injured in its reputation and has lost business opportunities nationwide.
- Specifically, the Original and First Amended Complaints alleged both
 negligence and breach of contract causes of action, as does the Cross Claim herein, against
 Defendant Walker.
 - 6. In Washington State, a negligence claim is not legally cognizable when the

Evans, Craven & Lackie, P.S.

action stems from a contract. The City's claims against Walker in the Superior Court case, and in this case, stem from their contract.

- 7. The City knew that its negligence claims against Walker were not legally supportable when it filed the present Cross Claim.
- 8. Walker Parking has been damaged by those allegations, and has incurred extensive attorney's fees and costs defending those negligence claims in not only this action, but also in the Superior Court action.
- 9. In fact, Walker Parking had filed and served a Motion to Dismiss the negligence claims against it, in the Superior Court suit, two weeks before the City voluntarily dismissed that suit to pursue the same claims herein.
- 10. The City's negligence claims against Walker Parking in this case are frivolous.
- 11. Additionally, in the Original and First Amended Complaints in the Superior Court, the City alleged that Walker Parking was somehow involved in a vast "Civil Conspiracy", and actually submitted a claim so entitled.
- 12. Upon the filing of the Second Amended Complaint therein, that claim was dropped by the City and its new counsel.
- 13. At the time that said Second Amended Complaint was filed, present counsel for the City, and/or other City officials, admitted in and were quoted in the local media as stating that there was no merit to such a claim.
 - 14. Defendant Walker Parking incurred great expense in defending a claim which

Evans, Eraven & Lackie, P.S.

the City admitted, in public, had no merit.

- 15. The City's previous "Civil Conspiracy" claim was also frivolous.
- 16. On November 30, 2000, Walker Parking Consultants/Engineers, Inc., filed with the City a Tort Claim, regarding the frivolous nature of its claims against it, as required under RCW 4.96.020 and Spokane Municipal Code 4.02.030.
- 17. Because of those allegations made against Walker Parking Consultants, in its Complaint and Amended Complaint, which were made without contact between Walker Parking and the City and without reasonable legal or factual investigation, Defendant Walker Parking Consultants/Engineers, Inc., has been damaged in its reputation and business, and has incurred substantial attorneys fees and costs, in amounts to be proved at the time of trial or motion.

WHEREFORE, Defendant Walker Parking Consultants/Engineers, Inc., prays for the following:

- 1. Dismissal of the City of Spokane's Cross Claims against it, with prejudice;
- An award of all actual damages proximately caused by the City's frivolous allegations and causes of action against Walker Parking Consultants;
- 3. An award of this Defendant's attorney's fees and costs incurred in investigating and defending this action; and
- 4. All other relief that this Court determines is just and equitable under the circumstances.

Evans, Eraven & Lackie, P.S.

DATED this 12th day of December, 2001. 1 2 ÉVANS, CRAV**P**N & LACKIE, P.S. 3 4 5 PATRICK M. RISKEN #14632 6 Attorneys for Defendant Walker Parking Consultants/Engineers, Inc. 8 9 10 11 12 **CERTIFICATE OF MAILING** 13 I hereby certify that on the 12th day of December, 2001, a true and correct copy of the 14 15 foregoing was mailed, postage prepaid, to: 16 Alain M. Baudry Gary J. Ceriani/Michael P. Cillo 17 Clark Whitmore Davis & Ceriani, P.C. 18 1350 17th Street, Suite 400 Maslon, Edelman, Borman & 19 Denver, CO 80202 Brand, LLP 3300 Wells Fargo Center 20 90 South Seventh Street 21 Minneapolis, MN 55402 22 23 John D. Munding Randall L. Stamper Crumb & Munding P.S. Thomas R. Luciani 1950 Bank of America Financial Center Stamper, Rubens, Stocker & Smith, P.S. 25 601 W. Riverside 720 West Boone 26 Spokane, WA 99201-0611 Spokane, WA 99201-2560 27 John D. Lowery Robert L. Robart 28 James Rhett Brigman Rudy A. Englund 29 Daniel J. Guner Christopher B. Wells 30 Riddell Williams Christian N. Oldham 31 1001 Fourth Avenue Plaza Lane Powell Spears Lubersky, LLP Seattle, WA 98154-1065 1420 Fifth Ave., Suite 4100 32 Seattle, WA 98101 33 34 Evans, Eraven & Lackie, G

ANSWER TO CROSS CLAIMS BY DEFENDANT WALKER PARKING CONSULTANTS - 14

818 W. Riverside, Suite 250

Spokane, Washington 99201-0910 (509) 455-5200; fax 455-3632

1 2 3 4 5	Peter D. Byrnes Ralph E. Cromwell Byrnes & Keller, LLP 1000 Second Ave., Suite 3800 Seattle, WA 98104	Leslie R. Weatherhead Witherspoon, Kelley, Davenport & Toole, P.S. 422 West Riverside Ave., Suite 1100 Spokane, WA 99201-0302
6 7 8 9	William F. Etter Etter, McMahon, Lamberson & Clary, P.C. 421 West Riverside Ave., Suite1600 Spokane, WA 99201-0401	William F. Cronin Paul R. Raskin Carr Cronin LLP 1001 Fourth Avenue, Suite 3700 Seattle, WA 98154-1135
10 11 12 13 14	Ladd. B. Leavens Davis Wright Tremains LLP 1501 Fourth Avenue 2600 Century Square Seattle, WA 98101-1688	Peter M. Vial Robert D. Stewart McNaul Ebel Nawrot Helgren & Vance, PLLC 600 University Street, Suite 2700 Seattle, WA 98101-3143
15 16 17 18	Laurel Siddoway Randall & Danskin, P.S. 601 W. Riverside Avenue, Suite 1500 Spokane, WA 99201	James B. King Keefe, King & Bowman 601 West Main Avenue, Suite 1102 Spokane, WA 99201-0605
19 20 21 22 23	Arthur W. Harrigan Karl F. Oles Katherine See Kennedy Danielson Harrigan & Tollefson LLP 999 Third Avenue, 44th Floor Seattle, WA 98104	Harry H. Schneider, Jr. Perkins Coie 40 th Floor, Washington Mutual Tower 1201 Third Ave. Seattle, WA 98101-3099
24 25 26		Synda Sh Kayne LINDA W. KAYNE
27 28		
29		
30		
31		
32		
33		}
34	ANSWER TO CROSS CLAIMS BY DEFENDANT WALKER PARKING CONSULTANTS - 15	Evans, Eraven & Lackie, P.S. 818 W. Riverside, Suite 250 Spokane, Washington 99201-0910 (509) 455-5200; fax 455-3632

1	<u>CERTIFICATE OF SERVICE</u>
2 3	I hereby certify that on the 12 th day of December, 2001, a true and correct copy of the foregoing was personally served the following counsel of record, at their office addresses
4	listed below, by leaving a copy of same with the receptionist:
5	
6	John D. Munding Crumb & Munding P.S.
7	1950 Bank of America Financial Center
8	601 W. Riverside
9	Spokane, WA 99201-0611 Attorneys for U.S. Bank and Nuveen Plaintiffs
10	Actorneys for C.S. Bank and Nuvcen Flaments
11	
12	Leslie R. Weatherhead Witherspoon, Kelley, Davenport & Toole, P.S.
13	422 West Riverside Ave., Suite 1100
14	Spokane, WA 99201-0302
15 16	Attorneys for the Developer Defendants
17	Laurel Siddoway
18	Randall & Danskin, P.S.
19	601 W. Riverside Avenue, Suite 1500
20	Spokane, WA 99201 Attorneys for the City of Spokane
21	
22	Linda 1h Karna
23	LINDA W. KAYNE
24	
25	
26	
27	
28	
29	
30	
31	
32	
33	
34	Evans, Craven & Lackie, P.S.
	ANSWER TO CROSS CLAIMS BY DEFENDANT WALKER PARKING CONSULTANTS - 16 818 W. Riverside, Suite 250 Spokane, Washington 99201-0910 (509) 455-5200; fax 455-3632